

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2083

Introduced by
Representatives Lesko, Ash, Murphy

AN ACT

AMENDING SECTIONS 32-3651, 32-3653, 42-12054, 42-13053, 42-13301, 42-13304, 42-15105, 42-16104, 42-16105, 42-16107, 42-16109, 42-16110, 42-16157, 42-16158, 42-16161, 42-16166, 42-16204, 42-16205, 42-16251, 42-16252, 42-16255, 42-16257, 42-17152, 42-19051 AND 42-19052, ARIZONA REVISED STATUTES; AMENDING LAWS 2008, CHAPTER 290, SECTIONS 3, 6, 12 AND 13; REPEALING SECTION 42-13303, ARIZONA REVISED STATUTES; REPEALING LAWS 2000, CHAPTER 84, SECTIONS 8, 9, 10, 11, 12, 13, 14, 15, 16 AND 17; REPEALING LAWS 2005, CHAPTER 131, SECTION 8; RELATING TO TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-3651, Arizona Revised Statutes, is amended to
3 read:

4 32-3651. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Analysis" means the review of a property valuation OR LEGAL
7 CLASSIFICATION established by a county assessor in the representation of a
8 person in appealing the property valuation to the county assessor.

9 2. "Appraisal" means the development of real or personal property
10 value OR LEGAL CLASSIFICATION opinions or conclusions.

11 3. "Board" means the state board of appraisal.

12 4. "Property tax agent" means an individual who is designated by a
13 person or is an employee of an entity designated as an agent pursuant to
14 section 42-16001, who acts on behalf of a person who owns, controls or
15 possesses property valued by a county assessor or the department of revenue
16 and who receives a fee for the analysis of any matter relating to the review
17 of the valuation OR LEGAL CLASSIFICATION of the person's property before the
18 assessor, the county or state board of equalization or the department of
19 revenue. Property tax agent does not include a person who is admitted to
20 practice law in this state, an employee of the person owning, controlling or
21 possessing the property or an employee of an entity designated pursuant to
22 section 42-16001, if such employee is performing a secretarial, clerical or
23 administrative support function.

24 Sec. 2. Section 32-3653, Arizona Revised Statutes, is amended to read:

25 32-3653. Property tax agent conduct

26 A property tax agent:

27 1. Shall not knowingly misrepresent any information or act in a
28 fraudulent manner.

29 2. Shall not prepare documents or provide evidence in a property
30 valuation OR LEGAL CLASSIFICATION appeal unless the agent is authorized by
31 the property owner to do so and any required agency authorization form has
32 been filed.

33 3. Shall not knowingly submit false or erroneous information in a
34 property valuation OR LEGAL CLASSIFICATION appeal.

35 4. Shall use appraisal standards and methods ~~which~~ THAT are adopted by
36 the board when the agent submits appraisal information in a property
37 valuation OR LEGAL CLASSIFICATION appeal.

38 Sec. 3. Section 42-12054, Arizona Revised Statutes, is amended to
39 read:

40 42-12054. Change in classification of owner-occupied residence

41 A. If a person purchases or converts property that is listed as class
42 one, paragraph ~~11~~ 12, class two or class four pursuant to article 1 of this
43 chapter and occupies the property as a residence, the person may have the
44 classification reviewed for change to class three from the date of conversion
45 and may appeal from the decision resulting from the review in the same manner

1 as provided by law for review of a valuation for ad valorem property taxes
2 and appeal from that review.

3 B. If a person makes such a conversion or appeals the classification
4 after the county assessor has closed the rolls, the person may petition the
5 county board of supervisors to change the classification and reduce the
6 assessed valuation from the date of conversion.

7 C. The board of supervisors shall entertain the petition in the same
8 manner as a board of equalization hears a request for reduction in valuation.

9 D. The petitioner may appeal the board of supervisors' decision in the
10 same manner as provided in section 42-16111, except that the petitioner shall
11 file the notice of appeal within fifteen days after the board's finding.

12 E. If the board of supervisors finds that the property is in fact
13 being used for residential purposes and should be listed as class three
14 property, it shall change the classification on the roll and fix the assessed
15 valuation from the date of conversion. The amount of taxes that is assessed
16 against the property shall be computed by applying the current tax rate to
17 the original assessed valuation prorated for the portion of the tax year
18 before the property was converted plus the current tax rate applied to the
19 reassessed value of the property prorated for the balance of the year.

20 F. The board of supervisors shall notify the department, assessor and
21 county treasurer of the change in classification, the change in assessed
22 valuation and the amount of tax assessed. The department and the assessor
23 may appeal any such decision in the same manner as provided in section
24 42-16111. The assessor and treasurer shall note the change on their records,
25 and the treasurer may issue a future tax credit, endorsed by the board, to
26 the person whose property is liable for the tax. The tax credit shall be
27 used on the next or several succeeding property tax assessments that the
28 person may owe thereafter.

29 Sec. 4. Section 42-13053, Arizona Revised Statutes, is amended to
30 read:

31 42-13053. Exception list: review of valuation

32 A. If the county assessor initially determines the valuation of
33 property under this article by using a computerized data processing or
34 valuation program, and if the valuation found by that method constitutes a
35 change in the valuation methodology and the resulting change in valuation in
36 any year is more than fifteen per cent above or below the valuation found for
37 the same parcel of property in the preceding year, the assessor shall place
38 the parcel on an exception list. The assessor shall review the valuation to
39 determine if the change in valuation reflects the current status and
40 conditions affecting each property on the exception list before mailing the
41 notice of valuation.

42 B. This section does not apply in the case of parcel splits or
43 consolidations, construction or destruction, ~~or~~ OF improvements, changes in
44 use or classification of the property, or other occurrences that would
45 account for the change in valuation.

1 Sec. 5. Section 42-13301, Arizona Revised Statutes, is amended to
2 read:

3 42-13301. Limited property value

4 A. The limited property value of property for primary property
5 taxation purposes is the limited property value of the property in the
6 preceding valuation year plus the greater of either:

7 1. Ten per cent of that value.

8 2. Twenty-five per cent of the difference between the full cash value
9 of the parcel in the current valuation year and the limited value of the
10 parcel in the preceding valuation year.

11 B. The current limited value of a parcel of property shall not exceed
12 its current full cash value.

13 C. The limited property value of a parcel of property shall be
14 determined and shown on notices and tax rolls as the total limited property
15 value of the property. Separate determinations shall not be made for the
16 limited property value of land and for the improvements on the land in
17 reference to property parcels.

18 ~~D. The limited value of each parcel of property that is determined for~~
19 ~~1980 is the base value for computing the limited value of that property in~~
20 ~~all subsequent tax years under this chapter.~~

21 Sec. 6. Section 42-13304, Arizona Revised Statutes, is amended to
22 read:

23 42-13304. Exemptions from limitation

24 A. The limitations prescribed by this article do not apply to:

25 1. Personal property, other than ~~permanently affixed~~ mobile homes ~~that~~
26 ~~are subject to chapter 15, article 5 of this title.~~ The full cash value of
27 personal property, other than ~~permanently affixed~~ mobile homes, shall be used
28 for all purposes in lieu of limited property value.

29 2. Property included in property class one, paragraphs 1 through 7 and
30 11 under section 42-12001. The full cash value of that property shall be
31 used for all purposes in lieu of limited property value.

32 B. This section does not restrict the determination of full cash value
33 of all parcels or items or property in this state pursuant to article 2 of
34 this chapter for purposes of levying a tax rate for secondary property tax
35 purposes and for all other lawful purposes.

36 Sec. 7. Section 42-15105, Arizona Revised Statutes, is amended to
37 read:

38 42-15105. Supplemental notice and appeal of valuation or
39 classification in case of new construction, changes
40 to assessment parcels and changes in use

41 For property that is valued by the assessor, in the case of new
42 construction, additions to, deletions from or splits or consolidations of
43 assessment parcels and changes in property use that occur after September 30
44 of the preceding year and before October 1 of the valuation year:

1 1. The assessor shall notify the owner of the property of any change
2 in the valuation OR LEGAL CLASSIFICATION on or before September 30 of the
3 valuation year.

4 2. Within twenty-five days after the date of the assessor's notice,
5 the property owner may appeal the valuation OR LEGAL CLASSIFICATION to the
6 state board of equalization if the property is located in a county with a
7 population of five hundred thousand persons or more or to the county board of
8 equalization if the property is located in any other county.

9 Sec. 8. Section 42-16104, Arizona Revised Statutes, is amended to
10 read:

11 42-16104. Operation of county board

12 A. One or more members of the county board or a hearing officer of the
13 county board may hold hearings and take testimony to be reported for action
14 by the county board.

15 B. The county board or hearing officer shall meet as often as
16 necessary to hear all petitions filed under section 42-16105. The county
17 board shall mail notice of each hearing to all parties at least fourteen days
18 before the date of the hearing unless all parties waive the notice
19 requirement. The county board shall complete all hearings and issue all
20 decisions under this section on or before October 15 of each year.

21 C. The county board may change any valuation OR LEGAL CLASSIFICATION
22 of property that is valued by the assessor or hearing officer, if one is
23 appointed.

24 Sec. 9. Section 42-16105, Arizona Revised Statutes, is amended to
25 read:

26 42-16105. Appeal of valuation or legal classification from
27 county assessor to county board

28 A. If the county assessor denies all or part of a petition under
29 section 42-16055, and if a county board of equalization has been established
30 in the county, the petitioner may appeal the assessor's decision to the
31 county board by filing with the clerk of the county board, within twenty-five
32 days after the date that the assessor's decision was mailed to the
33 petitioner, a copy of the written basis of the decision according to the
34 instructions on the petition.

35 B. The department may contest any proposed valuation or classification
36 or any proposed change in valuation or classification before the county
37 board. If, in the director's opinion, a decision of an assessor is
38 erroneous, the director may appeal the assessor's decision to the county
39 board within twenty-five days after the assessor's decision was mailed to the
40 taxpayer and the department. In such an action the taxpayer shall raise any
41 defense the taxpayer has to liability for the tax and any additional tax
42 sought to be imposed. If issues other than valuation or classification are
43 raised by either party, the action shall be tried as if it were an action
44 pursuant to section 42-11005 or 42-11052.

1 C. A property owner that receives a notice of valuation under section
2 42-15105 may appeal the valuation OR LEGAL CLASSIFICATION to the county board
3 as provided in subsection A of this section within twenty-five days after the
4 date of the assessor's notice.

5 Sec. 10. Section 42-16107, Arizona Revised Statutes, is amended to
6 read:

7 42-16107. Evidence; basis for decision

8 A. The decision shall be based on evidence presented by parties
9 attending the hearing.

10 B. The county board shall consider the valuation OR LEGAL
11 CLASSIFICATION fixed by the assessor on similar property that is similarly
12 situated.

13 C. The evidence permitted in an appeal relating to a petition based on
14 the income approach to value is limited to the income and expense data filed
15 with the petition, the testimony of the petitioner and any witnesses
16 presented on the petitioner's behalf, and evidence presented by the assessor
17 and the department.

18 Sec. 11. Section 42-16109, Arizona Revised Statutes, is amended to
19 read:

20 42-16109. Corrections and changes to tax roll

21 A. The county board may correct any error or mistake in the assessor's
22 valuation OR LEGAL CLASSIFICATION under the law when the county board
23 considers it necessary to list the property on the roll at its full cash
24 value.

25 B. The county board shall require the assessor to place on the roll
26 and determine the valuation OR LEGAL CLASSIFICATION of any property that is
27 subject to taxation but that is not on the roll. In the absence of the
28 assessor, the county board shall determine the valuation OR LEGAL
29 CLASSIFICATION of the omitted property and transmit the proposed valuation OR
30 LEGAL CLASSIFICATION to the department as provided by section 42-11056.

31 C. The county assessor shall make the necessary changes in the tax
32 roll and records to reflect the county board's determination.

33 D. The department has the right to intervene and be heard in any
34 proceeding pursuant to this section.

35 Sec. 12. Section 42-16110, Arizona Revised Statutes, is amended to
36 read:

37 42-16110. Entry of changes and completion of roll

38 If the board of supervisors makes any changes to valuations OR LEGAL
39 CLASSIFICATIONS ordered by the county board of equalization it shall:

40 1. Add up on the roll the entries of:

41 (a) Valuation of each description of property.

42 (b) Valuation of each class of property, as valued.

43 (c) Total valuations.

44 2. Enter all totals on the roll.

1 Sec. 13. Section 42-16157, Arizona Revised Statutes, is amended to
2 read:

3 42-16157. Appeal of valuation or legal classification from
4 county assessor to state board of equalization

5 A. Except as provided in subsection C or D of this section, if the
6 county assessor denies all or part of a petition under section 42-16055, and
7 if a county board of equalization is not established in the county where the
8 property is located, the petitioner may appeal the assessor's decision to the
9 state board of equalization by filing with the state board, within
10 twenty-five days after the date that the assessor's decision was mailed to
11 the petitioner, a copy of the written basis of the decision according to the
12 instructions on the petition.

13 B. The department may contest any proposed valuation or classification
14 or any proposed change in valuation or classification before the state board.
15 If, in the director's opinion, a decision of an assessor is erroneous, the
16 director may appeal the assessor's decision to the state board within
17 twenty-five days after the assessor's decision was mailed to the taxpayer and
18 the department. In such an action the taxpayer shall raise any defense the
19 taxpayer has to liability for the tax and any additional tax sought to be
20 imposed. If issues other than valuation or classification are raised by
21 either party, the action shall be tried as if it were an action pursuant to
22 section 42-11005 or 42-11052.

23 C. A property owner who receives a notice of valuation under section
24 42-15105 may appeal the valuation **OR LEGAL CLASSIFICATION** to the state board
25 as provided in subsection A of this section within twenty-five days after the
26 date of the assessor's notice.

27 D. A property owner whose petition is denied, in whole or in part,
28 pursuant to section 42-19051 may only appeal the valuation **OR LEGAL**
29 **CLASSIFICATION** to the state board as provided in subsection A of this section
30 within twenty days after the date of the assessor's notice of refusal or
31 decision.

32 E. The state board may contract with any county with a population of
33 less than five hundred thousand persons according to the most recent United
34 States decennial census to provide review of petitions filed under section
35 42-16105. These hearings shall be conducted in the county in which the
36 property of the subject hearings is located.

37 Sec. 14. Section 42-16158, Arizona Revised Statutes, is amended to
38 read:

39 42-16158. Appeal of valuation or legal classification from
40 department to state board of equalization

41 A. A property owner who is not satisfied with the valuation **OR LEGAL**
42 **CLASSIFICATION** of the property as determined by the department may appeal to
43 the state board by filing a petition with the state board that is postmarked
44 on or before October 1 or within fifteen days after the department mails its
45 decision to the property owner, whichever date is later. The state board

1 shall prescribe the form of and procedure for filing the petition by
2 administrative rule.

3 B. The state board shall notify the petitioner of the time and place
4 of the hearing. The petitioner:

5 1. May appear before the state board at such time as the board may
6 direct.

7 2. Is entitled to be heard at any hearing regarding the valuation OR
8 LEGAL CLASSIFICATION of the property.

9 3. Shall show cause why the valuation OR LEGAL CLASSIFICATION should
10 be changed.

11 C. If the state board orders the valuation OR LEGAL CLASSIFICATION to
12 be changed, it shall immediately transmit a copy of the order to the property
13 owner and to the officers of this state and the county, city or town in
14 charge of tax assessments who shall correct the tax roll accordingly.

15 Sec. 15. Section 42-16161, Arizona Revised Statutes, is amended to
16 read:

17 42-16161. Filings and hearings

18 A. If the state board maintains an electronic filing system, a party
19 may transmit required information to the board in a format that is compatible
20 with the board's filing system. The board's transmitted receipt is evidence
21 that the board acknowledges that the petitions were filed for purposes of
22 this article.

23 B. A person whose petition under article 2 of this chapter was denied
24 in whole or in part and who appeals to the state board shall file with the
25 state board:

26 1. A copy of the notice of the assessor's original valuation AND LEGAL
27 CLASSIFICATION.

28 2. A copy of the written basis of the assessor's subsequent decision
29 on the petition.

30 C. Each hearing shall be held in the county in which the property is
31 located. With the permission of all parties, the state board may conduct
32 telephonic hearings when appropriate.

33 D. The hearing officer, board member or panel shall act on the
34 petition, shall hear testimony presented in person at the hearing and may
35 subpoena witnesses to testify regarding the petition. Unless all parties
36 agree otherwise, each party shall submit evidence in person.

37 E. The decision shall be based on evidence presented by the parties
38 attending the hearing.

39 Sec. 16. Section 42-16166, Arizona Revised Statutes, is amended to
40 read:

41 42-16166. Transmitting changes in valuations or legal
42 classifications

43 On or before the fourth Friday in November of each year the state board
44 shall transmit to:

1 1. The assessor of each county a statement of changes, if any, that it
2 has made in the valuation OR LEGAL CLASSIFICATION of any property in the
3 county that is valued by the county assessor.

4 2. The department a statement of changes, if any, that it has made in
5 the valuation OR LEGAL CLASSIFICATION of:

6 (a) Any property that is valued by the department.

7 (b) Property of taxpayers who pay their taxes to the department,
8 except that in the case of private car companies, the statement shall be
9 transmitted on or before October 31.

10 Sec. 17. Section 42-16204, Arizona Revised Statutes, is amended to
11 read:

12 42-16204. Appeal from department to court

13 A property owner who is not satisfied with the valuation OR LEGAL
14 CLASSIFICATION of the property as determined by the department may appeal
15 directly to superior court as provided by this article on or before December
16 15.

17 Sec. 18. Section 42-16205, Arizona Revised Statutes, is amended to
18 read:

19 42-16205. Appeal to court in the case of new construction,
20 changes to assessment parcels and changes in use

21 A. An appeal to court from the state board of equalization or a county
22 board of equalization relating to changes in assessments under section
23 42-15105 due to new construction, additions to or deletions from assessment
24 parcels or changes in property use that occur after September 30 of the
25 preceding year and before October 1 of the valuation year shall be filed
26 within sixty days after the date of mailing of the decision.

27 B. A new owner of property that was valued by the assessor and whose
28 valuation OR LEGAL CLASSIFICATION was not appealed by the former owner of the
29 property may appeal the valuation OR LEGAL CLASSIFICATION to court on or
30 before December 15 of the year in which the taxes are levied.

31 Sec. 19. Section 42-16251, Arizona Revised Statutes, is amended to
32 read:

33 42-16251. Definitions

34 In this article, unless the context otherwise requires:

35 1. "Board" means the county board of equalization or the state board
36 of equalization, as appropriate.

37 2. "Court" means either the superior court or tax court.

38 3. "Error" means any mistake in assessing or collecting property taxes
39 resulting from:

40 (a) An imposition of an incorrect, erroneous or illegal tax rate that
41 resulted in assessing or collecting excessive taxes.

42 (b) An incorrect designation or description of the use of property or
43 its classification pursuant to chapter 12, article 1 of this title.

1 (c) Applying the incorrect assessment ratio percentages prescribed by
2 chapter 15, article 1 of this title.

3 (d) Misreporting or failing to report property if a statutory duty
4 exists to report the property.

5 (e) Subject to the requirements of section 42-16255, subsection B, a
6 valuation OR LEGAL CLASSIFICATION that is based on an error that is
7 exclusively factual in nature or due to a specific legal restriction that
8 affects the subject property and that is objectively verifiable without the
9 exercise of discretion, opinion or judgment and that is demonstrated by clear
10 and convincing evidence, such as:

11 (i) A mistake in the description of the size, use or ownership of
12 land, improvements or personal property.

13 (ii) Clerical or typographical errors in reporting or entering data
14 that was used directly to establish valuation.

15 (iii) A failure to timely capture on the tax roll a change in value OR
16 LEGAL CLASSIFICATION caused by new construction, the destruction or
17 demolition of improvements, the splitting of one parcel of real property into
18 two or more new parcels or the consolidating of two or more parcels of real
19 property into one new parcel existing on the valuation date.

20 (iv) The existence or nonexistence of the property on the valuation
21 date.

22 (v) Any other objectively verifiable error that does not require the
23 exercise of discretion, opinion or judgment.

24 Error does not include a correction that results from a change in the law as
25 a result of a final nonappealable ruling by a court of competent jurisdiction
26 in a case that does not involve the property for which a correction is
27 claimed.

28 4. "Taxpayer" means the owner of real or personal property that is
29 liable for tax.

30 Sec. 20. Section 42-16252, Arizona Revised Statutes, is amended to
31 read:

32 42-16252. Notice of error; response; petition for review;
33 appeal

34 A. Subject to the limitations and conditions prescribed by this
35 article, if a county assessor or the department determines that any real or
36 personal property has been assessed improperly as a result of a property tax
37 error, the county assessor or department shall send the taxpayer a notice of
38 error at the taxpayer's last known address by:

39 1. Certified mail, return receipt requested, if correction of the
40 error results in an increase in the valuation of the property.

41 2. First class mail or, at the taxpayer's written request, delivery by
42 common carrier or electronic transmittal, if correction of the error does not
43 result in an increase in the valuation of the property.

1 B. The notice shall:

2 1. Be in a form prescribed by the department.

3 2. Clearly identify the subject property by tax parcel number or tax
4 roll number and the year or years for which the correction is proposed.

5 3. Explain the error, the reasons for the error and the proposed
6 correction of the error.

7 4. Inform the taxpayer of the procedure and deadlines for appealing
8 all or part of the proposed determination before the tax roll is corrected.

9 C. Within thirty days after receiving a notice of error the taxpayer
10 may file a written response to the taxing authority that sent the notice to
11 either consent to or dispute the proposed correction of the error and to
12 state the grounds for disputing the correction. A failure to file a written
13 response within thirty days constitutes consent to the proposed correction
14 unless a request for an extension of time is made within thirty days after
15 receiving the notice of error. If an extension is granted, any response that
16 is not filed within the extended due date constitutes consent to the proposed
17 correction.

18 D. If an owner of real property consents to the proposed correction,
19 or consents to the correction but disputes the proposed valuation OR LEGAL
20 CLASSIFICATION as provided on the form prescribed by the department, the tax
21 roll shall be promptly corrected to allow property taxes to be levied and
22 collected in all subsequent tax years, but no additional tax, interest or
23 penalty may be imposed for the current tax year or any tax year preceding the
24 date of the notice of error. If an owner of real property disputes the
25 proposed correction and a court determines, after an appeal pursuant to
26 subsection G, that an error occurred, any taxes that are assessed pursuant to
27 this subsection, including all cases involving personal property, are
28 delinquent if not paid within sixty days after the date the supplemental
29 billing is mailed to the taxpayer. If taxes have been overpaid, they shall
30 be refunded with interest at the rate determined pursuant to section 42-1123
31 within ninety days after the roll is corrected. The owner may appeal
32 valuation OR LEGAL CLASSIFICATION issues that arise from the correction as
33 provided in this section.

34 E. If requested, the assessor or department shall meet with the
35 taxpayer or the taxpayer's representative in any case in which the taxpayer
36 has timely filed a written response disputing the proposed correction.

37 F. If the parties fail to agree on all or part of the proposed
38 correction, the department or assessor shall serve a notice on the taxpayer
39 by certified mail advising the taxpayer that the error will be corrected
40 within forty-five days unless the taxpayer files a petition on a form
41 prescribed by the department with the county board of equalization, if one is
42 established in the county, or, if one is not established in the county, with
43 the state board of equalization. The department or assessor shall include a
44 petition form with the notice and an explanation of the appeals
45 procedure. The petition must be filed with the county board or the state

board within thirty days after the notice prescribed by this subsection is mailed, or it is barred. On receiving the petition, the board shall hold a hearing on the proposed correction within thirty days and shall issue a written decision pursuant to the board's rules.

G. A party that is dissatisfied with the decision of the county board or state board may appeal the decision to court within sixty days after the date the board's decision is mailed, but any additional taxes that are determined to be due must be timely paid before delinquency for the court to retain jurisdiction of the matter.

Sec. 21. Section 42-16255, Arizona Revised Statutes, is amended to read:

42-16255. Evidence that may be considered at hearings; extent of correction; pending administrative and judicial appeals

A. In any hearing before the county board, state board or court under this article, either party may present any evidence regarding property tax errors regardless of whether a notice of error or notice of claim was filed. The board or court has jurisdiction to make any such correction.

B. This article does not authorize an independent review of the overall valuation **OR LEGAL CLASSIFICATION** of property that could have been appealed pursuant to article 2, 3, 4 or 5 of this chapter or chapter 19, article 2 of this title. If an administrative or judicial appeal is pending regarding the subject property, the alleged error shall be adjudicated as part of the administrative or judicial appeal for the affected tax year. If a specific error of fact, not previously known, was not addressed in a prior appeal, an appeal may be brought pursuant to this section.

Sec. 22. Section 42-16257, Arizona Revised Statutes, is amended to read:

42-16257. Valuation of property

In valuing any property pursuant to this article, the assessor, department or reviewing body shall use the valuation **AND LEGAL CLASSIFICATION** criteria that were in effect on the valuation date.

Sec. 23. Section 42-17152, Arizona Revised Statutes, is amended to read:

42-17152. Extending tax roll; limitation on residential property tax; effect of informalities

A. As soon as the county board of supervisors finally determines the estimated amounts provided for in article ~~1~~ **2** of this chapter, it shall assess taxes for the estimated amounts on the taxable property of the county, according and in proportion to the individual and particular valuation as specified in the assessment roll for the year, except that pursuant to article IX, section 18, Constitution of Arizona, primary property taxes may not be assessed in any tax year against real property, improvements and personal property classified as class three pursuant to section 42-12003 in excess of one per cent of the property's limited property value.

1 B. The board of supervisors shall compute and list the property taxes
2 and totals of taxes of each parcel, shall add the several taxes levied and
3 shall compute the totals. The completed document constitutes the assessment
4 and tax roll for the year.

5 C. In addition to the requirements of subsection B of this section, if
6 the board of supervisors authorizes tax statements to be delivered to the
7 taxpayers of the county, the board shall list and compute the totals of the
8 taxes by jurisdiction, for the current and the previous year.

9 D. Any informality in complying with the requirements of this chapter
10 does not render any tax collection proceeding illegal.

11 E. For the purposes of this section, items of merchandise property
12 that are exempt pursuant to article IX, sections 2 and 13, Constitution of
13 Arizona, need not be listed on the tax rolls or tax statements.

14 Sec. 24. Section 42-19051, Arizona Revised Statutes, is amended to
15 read:

16 42-19051. Administrative review of valuation or classification
17 by assessor

18 A. The owner of property that is valued by the assessor or the person
19 in whose possession it is found may appeal to the assessor within twenty days
20 after the date the notice was delivered by filing a petition with the
21 assessor on a form prescribed by the department. The petition shall set
22 forth in writing:

23 1. The owner's opinion of the value OR LEGAL CLASSIFICATION of the
24 property.

25 2. Substantial information that justifies the opinion of value OR
26 LEGAL CLASSIFICATION in order for the assessor to consider the information
27 for the purpose of basing a change in the valuation OR LEGAL CLASSIFICATION.

28 B. The assessor shall rule on each petition within twenty days after
29 it is filed.

30 C. The notice provided under this section shall be in the same manner
31 as prescribed in section 42-16056.

32 D. If the request of the petitioner is denied, in whole or in part,
33 the assessor shall deliver to the petitioner written notice of the grounds
34 for refusing to grant the request contained in the petition.

35 Sec. 25. Section 42-19052, Arizona Revised Statutes, is amended to
36 read:

37 42-19052. Appeal from assessor

38 A. A person who appeals to the assessor pursuant to section 42-19051
39 may appeal to:

40 1. The county board of equalization, if a county board has been
41 established in the county, within twenty days after the date of the
42 assessor's notice of refusal or decision. The appeal shall be in the same
43 manner as prescribed by chapter 16, article 3 of this title.

44 2. The state board of equalization, if a county board has not been
45 established in the county, within twenty days after the date of the

1 assessor's notice of refusal or decision. THE APPEAL SHALL BE IN THE SAME
2 MANNER AS PRESCRIBED BY CHAPTER 16, ARTICLE 4 OF THIS TITLE.

3 B. Any party that is dissatisfied with the decision of the board may
4 appeal the decision to court as prescribed in chapter 16, article 5 of this
5 title.

6 Sec. 26. Laws 2008, chapter 290, section 3 is amended to read:

7 Sec. 3. Delayed repeal

8 Section 43-1074.01, Arizona Revised Statutes, as amended by ~~this act~~
9 LAWS 2008, CHAPTER 290, SECTION 2, is repealed FOR TAXABLE YEARS BEGINNING
10 from and after December 31, 2017.

11 Sec. 27. Laws 2008, chapter 290, section 6 is amended to read:

12 Sec. 6. Delayed repeal

13 Section 43-1168, Arizona Revised Statutes, as amended by ~~this act~~ LAWS
14 2008, CHAPTER 290, SECTION 5, is repealed FOR TAXABLE YEARS BEGINNING from
15 and after December 31, 2017.

16 Sec. 28. Laws 2008, chapter 290, section 12 is amended to read:

17 Sec. 12. Effective date

18 Sections 43-1074.01 and 43-1168, Arizona Revised Statutes, as amended
19 by ~~this act~~ LAWS 2008, CHAPTER 290, are effective FOR TAXABLE YEARS BEGINNING
20 from and after December 31, 2009.

21 Sec. 29. Laws 2008, chapter 290, section 13 is amended to read:

22 Sec. 13. Effective date

23 Sections 43-1074.01 and 43-1168, Arizona Revised Statutes, as added by
24 ~~this act~~ LAWS 2008, CHAPTER 290, are effective FOR TAXABLE YEARS BEGINNING
25 from and after December 31, 2017.

26 Sec. 30. Repeal

27 A. Section 42-13303, Arizona Revised Statutes, is repealed.

28 B. Laws 2000, chapter 84, sections 8, 9, 10, 11, 12, 13, 14, 15, 16
29 and 17 are repealed.

30 C. Laws 2005, chapter 131, section 8 is repealed.